



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

# NEWS

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## **Air District & Mirant Sign Pact to Keep Power On No Sacrifice of Air Quality for Electricity**

The Bay Area Air Quality Management District has reached an agreement with Mirant Potrero, LLC to extend the operating hours during expected upcoming peak demand periods for their six power turbines at the Potrero Power Plant in San Francisco. This agreement is consistent with Governor Gray Davis's Executive Orders of February 8, 2001 (D-24-01) and March 2, 2001 (D-28-01) which require local air pollution districts to remove permit conditions limiting hours of operation on peaking power plants in exchange for mitigation fees. Under the agreement, additional operating permit conditions are restricted to specified power demand conditions, and the power generated is to be utilized within the state of California. The mitigation fees are earmarked for clean air projects that offset the amount of emissions produced by the increase in operating hours at these peaking turbine units.

"The Air District worked with Mirant to achieve our goals— keeping the lights on and protecting air quality," said Ellen Garvey, Air District Executive Officer. "This is one of the first agreements of this type under the Governor's Executive Order. It is new territory for the Air District and promises to be a model for other power plants in this category," Garvey added.

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In the agreement, Mirant will pay \$20,000 per ton of excess emissions of oxides of nitrogen—a precursor to the formation of smog. A \$400,000 deposit will be paid towards mitigating excess emissions. The funds will be used to offset excess emissions by funding projects to obtain comparable emissions reductions. The agreement is for a period of one year, but may be terminated sooner if the Governor rescinds the State of Emergency he declared in January or may be extended by further agreement.

Power plants of this kind are called “peakers”. In the case of the Potrero facility, the six turbines are limited to 877 hours per turbine per year to curtail the amount of emissions produced. These plants were not designed to run continuously, but rather were built to offset peak power demands and to insure uninterrupted power in the case of emergencies such as earthquakes. The Potrero peakers can generate 156 megawatts of power—enough to supply about 156,000 homes.

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